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FISCAL IMPACT REPORT

	ORIGINAL DATE	1/25/07	
SPONSOR <u>Harden</u>	LAST UPDATED	<u>2/20/07</u>	HB _____
	Extending the Period of Time		
SHORT TITLE <u>for Certain Entities to make Deposits</u>	SB	<u>429/aSPAC</u>	
			ANALYST <u>Propst</u>

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 194

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to the original bill retains the five working day requirement for deposits, except in cases where inclement weather or natural disaster conditions exist. In cases where inclement weather or natural disaster conditions exist, a municipality would have up to 10 days to make the deposit.

Synopsis of Original Bill

Senate Bill 429 increases the time within which certain municipalities may deposit receipt of public money. Municipalities or villages not having suitable banking facilities within their boundaries in which to deposit collected receipts of public money currently must deposit those funds within a period not to exceed 5 working days. The bill extends the period to 10 working days from the date of receipt.

SIGNIFICANT ISSUES

Remote municipalities and villages without suitable banking facilities generally do not gather large deposits during a five day work week. The extended time to make the small deposits would reduce the expense of time and money currently expensed to make deposits within the current 5 day work week.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates House Bill 194.

OTHER SUBSTANTIVE ISSUES

In its analysis, DFA notes that, when a municipality or village does collect a large public deposit, which is to be defined by rule, it should be made in a timely manner not to exceed 5 working days.

Additionally, were accessibility to electronic communications technology exists in remote municipalities and villages, public entities should make every effort to use this form of communication to make timely deposits with a financial institution within its boundaries that have the technology to accept electronic deposits. In this case the 5 day work week should also apply.

Finally, a municipality or village should obtain safekeeping furniture, fixtures and equipment to secure the cash if given the additional time to make deposits.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The current five day rule for deposits would remain in effect.

WEP/csd